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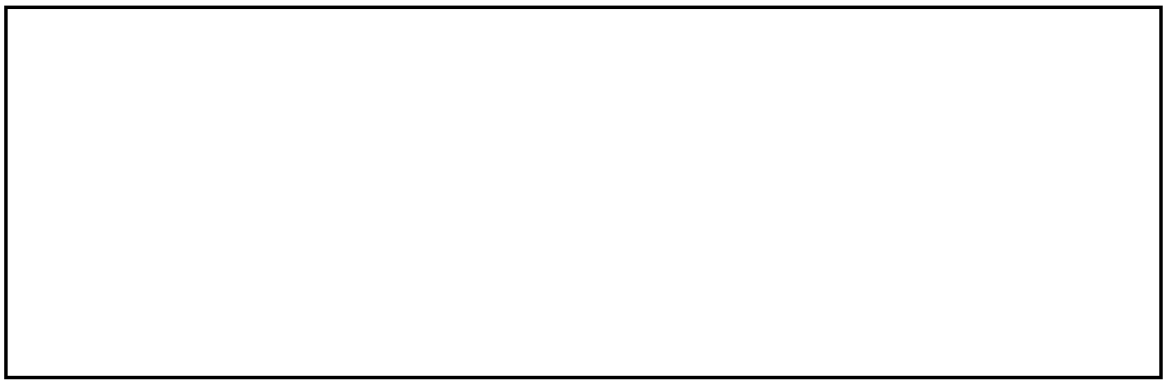

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Cypriot Constitutional Experts Make Little Progress

Prospects for an early solution to the Cyprus problem have been further dimmed by the poor start of the deliberations of the experts commissioned to study the powers and functions of the proposed federal government.

The Turkish Cypriot delegation was not prepared to discuss substantive issues at the opening meeting on Monday and committed itself only to "try" to have some tentative proposals ready for today's session. One of the constitutional experts said that Turkish Cypriot willingness to discuss governmental powers will depend on the degree of Turkish Cypriot participation the Greek Cypriot side is willing to accept in the central government. Turkish Cypriots have called for equal representation, while Greek Cypriots have insisted on a distribution of positions more in accord with the size of each community.

Turkish Cypriot negotiator Denktash boycotted the session on Monday to protest what he claims was the one-sided support given the Greek Cypriots at the recent Commonwealth Heads of State conference in Jamaica and to a statement by President Makarios that made reference to a "unitary" rather than a federal state for Cyprus.

A delay in the current deliberations was averted yesterday when the Greek Cypriot side agreed to postpone its complaint against

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Turkey in the Council of Europe's Human Rights Committee--scheduled to be heard on May 22--in return for postponement by the Turkish Cypriot side of the constitutional referendum scheduled for May 18.

Even if some progress is made by the experts' committee, however, the second Vienna round of negotiations scheduled to begin on June 5 may founder if Denktash does not present concrete proposals on the geographic aspects of a settlement, as promised in the course of the first round. In this regard, the Turkish government has informed a UN official that Denktash would not be prepared to discuss the return of Famagusta or Morphou in Vienna. Contacts between the Greek and Turkish foreign ministers in Rome this weekend could alter the Turkish plan.

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ANNEX

Austria as a Case for Neutrality

Tomorrow is the 20th anniversary of Austrian independence, one of the first successes of East-West diplomacy. Austria emerged as a sovereign--albeit, neutral--state on May 15, 1955 after a decade of occupation by the four Allied powers. Despite its location in the middle of a still divided continent, it continues to flourish as a Western-style democracy with a healthy, mixed social and market economy.

For ten years, the Soviet Union blocked progress toward a state treaty for Austria, but it was also Moscow that eventually channeled the country's foreign policy into permanent neutrality. Neutrality had often been considered the third of Austria's three historical options, after a Danubian federation and union (Anschluss) with Germany, both of which were made impossible by the German defeat and the Soviet victory in World War II.

At the end of the war, the Soviets probably envisioned Austria's eventual absorption into its central and east European empire. After failure of a Communist-inspired general strike in 1950 and several poor Communist showings in elections, the Kremlin eventually came to realize that there was little prospect of Austria freely choosing Communist rule. But it was only after Vienna formally proposed permanent neutrality at Berlin in 1954 that a basic change in Mosocw's policy toward Austria became apparent.

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The Soviets took the position that if Austria was prepared to adopt a policy of permanent neutrality, it would be free to conduct its foreign and domestic policies within that framework.

The three western powers--the US, the UK, and France--had by then conducted seven years of tedious negotiations with the Soviet Union without settling the Austrian issue. Within a few months after the shift in the USSR's position, however, a State Treaty reestablishing an independent Austria and a declaration of neutrality were worked out. Historians differ over what caused the Soviet turnabout, but the leadership change in the Kremlin, the settlement of the Trieste problem, and particularly the prospect of a permanently neutral neighbor, all probably helped influence Moscow's decision.

Although patterned after Swiss neutrality, the Austrian brand has a distinct flair of its own. The State Treaty, signed by the Big Four Powers, prohibits Austria from allying with other states or allowing foreign military bases on its soil. Additionally, the treaty enjoins Vienna to protect its integrity--i.e. an armed neutrality--and not to exceed certain limitations on armaments.

Apart from these obligations, which are placed directly on the government rather than the populace, the Austrian citizens' freedom and basic rights are not restricted. Austrians, in other words, are not required to maintain a neutral ideology, but are free to practice whatever philosophy they wish within their society--capitalism, socialism, or communism. They appreciate the need, however, to exercise restraint in their comments on political and social conditions abroad to avoid complicating Austria's foreign affairs.

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Unlike Switzerland, Austria does not shun membership in those international organizations that might lead to Austria's involvement in hostilities. Since members of the UN are not obligated to take immediate and direct measures against aggressors, Vienna sought membership soon after it gained independence. Austria believes that UN membership, as well as participation in various other international organizations, strengthens its international position.

Austria's neutrality differs from the Swedish brand in that Stockholm's is not grounded in the country's constitution. Sweden's "active neutrality" is designed solely to make it possible for Stockholm to remain a non-belligerent during war time. The Austrians like to place their neutrality somewhere between the non-involvement of the Swiss and the outspoken, often controversial, neutrality of the Swedes.

Vienna's foreign policy since 1955 has functioned relatively well despite the restrictions imposed by the treaty. Its relations with the former occupying powers are of primary importance. Even during the Hungarian and Czechoslovak crises, no serious strains arose with either the USSR or the West. As a form of insurance, as well as a reminder to the big powers of the importance of Austria's integrity, Vienna seeks to retain the UN agencies headquartered there and conducts an ongoing campaign to acquire others. In addition, Austria competes with other European neutrals to host international conferences, and is planning to build a large, permanent center for such events.

Conscious of geography and history, Austria's leaders see neutrality as allowing Vienna to play a unique "bridge-building" role between the two halves of Europe, a 20th century version of the buffer role of the old Empire. Austrian

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efforts to exert influence in the East since the war have included exchanges of official visits with East European leaders, promotion of East-West trade, encouragement of tourism in both directions, and by the example of Austria's free press, radio, and television which spill over its eastern frontiers without hindrance.

The multi-national economic organizations formed to aid post-war European recovery provided Austria numerous fora in international diplomacy. As early as April 16, 1948, Austria participated in creating the Organization for European Economic Cooperation. In addition, it was one of the charter members of the European Free Trade Association, the seven-member economic grouping formed in 1960 by those non-Communist states in Western Europe that were unable--mainly for political reasons--to join the Common Market.

In 1962, Austria joined Sweden and Switzerland in petitioning for trade agreements with the EC. Vienna was motivated by economic necessity and sought primarily to do away with certain customs and quota restrictions between itself and the EC member states. Although most Common Market members were not enthusiastic about Austrian participation because of the restraints that Vienna would be under due to its neutral status, talks began in 1965. Italy blocked progress in 1967 pending the resolution of the dispute over the South Tirol, a former Austrian province in northern Italy where there had been clashes between the German-speaking residents and local authorities. EC negotiations resumed in 1970 after Italy and Austria settled their differences. Ultimately, Vienna signed an agreement with the EC in July 1972 reducing tariffs on Austrian manufactures that could lead to cooperative arrangements in other areas of trade.

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The Soviet Union made several demarches to Vienna during the EC negotiations portraying Austria's intentions as contrary to its permanent neutral status. The Austrian government always responded with assurances that it sought only economic advantages, free of any political encumbrances. The Austrians felt that they were well within the Kremlin's ground rules for participation in the EC set forth by President Podgorny in 1966: anything more comprehensive than a trade agreement would run counter to Vienna's international position.

Austrian domestic policy has been even less affected by its unusual status than has its foreign affairs. The two major parties--the governing Socialist Party and the main opposition People's Party--cooperated in coalitions until 1966, when the People's Party won a clear majority and formed a single-party government. Despite the bitter hostilities of the inter-war period there is no conflict of principle between the two main Austrian standard bearers, only differences of opinion over methods. It was this bi-partisan cooperation that enabled Austria to make a strong, concerted effort to win its independence. Some Austrians feel, however, that the demise of the grand coalition was a necessary step in the nation's development and provided a new vitality to Austrian postwar political life. For the past four years the government has been controlled by the Socialists, a period of unprecedented prosperity for Austria.

The unfavorable economic and political developments elsewhere in Europe have had relatively little impact on Austria. The economic boom that began in 1969, however, is in danger of slackening. The growth rate for this year is expected to decline and unemployment could become troublesome in 1976. Nevertheless,

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given her rather tenuous post-war beginnings, today's Austria probably will cope with these minor adversities with the same combination of skill and tact that won her independence 20 years ago. [redacted] 25X1

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